Gentlemen:

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This eachest) or this flemonogenes or revolvious of which in a Reference is made to Contract No. (RD)XG-578 with you for research and development work to be performed upon issuance by this office of specific Task Orders thereunder.

This letter constitutes Task Order No. 7 under Contract No. (RD)XG-578 and is subject to all the terms and conditions of the subject contract.

The scope of the work to be performed shall include construction of three prototype models of the ET-2 Electromechanical Transmitter conforming with the approved working model submitted under Task Order No. 1 to Contract No. (RD)XG-578, the task outline for Research and Development of the ET-2 Electromechanical Transmitter, dated 11 June 1951, and the Contractor's "Program for Three Prototype ET-2 Units" submitted with its letter of 7 May 1954. The prototypes may be "handmade" but shall be representative of a final massproduced product. In addition to construction of the prototypes bereunder, the Contractor shall submit manufacturing drawings, manufacturing parts lists, and specifications for the approved BY-2 Electromechanical Transmitters. The Task Outline and Program for Three Prototyp EE-2 Units referred to herein are incorporated into this task order by reference and made a part hereof with the same force and effect as if fully set forth herein. These documents shall be retained in a file separate and apart from this task order.

All property furnished by the Government or acquired by the Contractor under Task Order No. 1 to Contract No. (RD)XG-578 as listed in Contractor's Residual Inventory statement dated 22 April 1954, and all drawings, tools, dies, and reports prepared under said Task Order No. 1 will be furnished the Contractor as Government

Property for use in performance of this Task Order No. 7. The working model of the EC-2 unit developed under Task Order No. 1 will be furnished the Contractor, on a loss basis, for engineering studies under this task order, upon request.

The estimated cost of performing this task order is Forty-Four Thousand, Forty-Two Dollars and Seventy-Three Cents (\$44,042.73). The allowable costs for which you will be reimbursed for performing this task order shall not exceed the amount stated above, and this shall be subject to the provisions of Article 3 (b) (1) of the contract.

The fixed fee for performance of this task order shall be Three Thousand, Thirty-Eight Dollars and Fifty-Six Cents (\$3,038.56), subject to the provisions of Article 3 (b) (3) of the contract.

All work to be performed under this task order shall be completed and delivered to the Government f.o.b. St. Paul, Minnesota, on or before 31 May 1955.

For the purpose of this Tack Order, you are advised that all personnel of your organisation who will have knowledge that the work required bereunder is associated in any way with this Agency must be cleared up to and including "Secret".

At the completion of this Tank Order, the Contractor shall render an accounting and inventory for all property governed by Articles 5 and 9 of basic Contract No. (RD)XG-578 and shall dispose of the same as directed by the Contracting Officer in writing.

Please indicate your acceptance of the foregoing in the space provided below. Heturn the original and two copies to this office within fourteen (14) days after receipt thereof. Retain the remaining copy for your files.

Very truly yours,

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	Contracting Officer	25X1
ACKNOWLEDGED AND ACCEPTED		
THIS 25 DAY OF June	1954.	
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Sanitized Copy Approved for Release 2011/09/19: CIA-RDP78-03424A002400010041-1